

Media Contact:

Anne Veigle
anne.veigle@fcc.gov

For Immediate Release**FCC SEEKS COMMENT ON PROPOSALS TO PREVENT GAMING OF
ACCESS STIMULATION RULES*****Arbitrage Schemes Result in Higher Costs for Long-Distance Carriers and Their
Customers***

WASHINGTON, July 14, 2022—The Federal Communications Commission today proposed rules that would modify the intercarrier compensation regime to address ongoing harmful arbitrage practices that raise costs for long-distance carriers and their customers. The Commission seeks comment on proposed changes to its Access Stimulation Rules to ensure that they apply to traffic that terminates through providers of IP-enabled services (IPES Providers). In the Further Notice of Proposed Rulemaking, the FCC proposes to require these providers to count and report their call traffic volumes to the FCC to determine compliance with the Access Stimulation Rules.

Historically, access arbitrage schemes used a simple tactic: a phone company with high access charge rates attracted large volumes of incoming traffic, often by partnering with high-volume calling services such as “free” conference calling services. The phone company (or its designated intermediate access provider) then collected access charges from long-distance companies that far exceeded the costs of completing the calls. These excessive access charges were ultimately passed on to long-distance customers, regardless of whether those customers actually made calls to high-volume calling services.

In the [2019 Access Arbitrage Order](#), the Commission sought to eliminate these arbitrage schemes by prohibiting local exchange carriers (LECs) and intermediate access providers from charging interexchange carriers (IXCs) for terminating tandem switching and transport services used to deliver calls to access-stimulating LECs. The order aimed to end the ability of LECs to extract artificially inflated tandem switching and transport charges from IXCs to subsidize “free” high-volume calling services.

More recently, however, the Commission has received information about new ways carriers are manipulating their businesses to continue their arbitrage schemes by integrating IPES Providers into the call flow. As a result, in the Further Notice the Commission proposes that when the terminating-to-originating traffic ratios of an IPES Provider exceed the ratios in the existing Access Stimulation Rules, the IPES Provider will be deemed to be engaged in access stimulation. Consistent with the current rules, an Intermediate Access Provider will be prohibited from billing an IXC terminating access charges for calls bound for the access-stimulating IPES provider.

Action by the Commission July 14, 2022 by Further Notice of Proposed Rulemaking (FCC 22-54). Chairwoman Rosenworcel, Commissioners Carr, Starks, and Simington approving. Chairwoman Rosenworcel and Commissioner Starks issuing separate statements.

WC Docket No. 18-155

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).